



News Flash – The revised *Critical Access Hospital Fact Sheet* (April 2009), which provides information about eligible Critical Access Hospital (CAH) providers; CAH designation; CAH payments; reasonable cost payment principles that do not apply to CAHs; election of Standard Payment Method or Optional (Elective) Payment Method; Medicare Rural Pass-Through funding for certain anesthesia services; Health Professional Shortage Area Incentive payments; Physician Scarcity Area Bonus payments; Medicare Prescription Drug, Improvement, and Modernization Act of 2003 provisions that impact Critical Access Hospitals; and grants to states under the Medicare Rural Hospital Flexibility Program, can be accessed at <http://www.cms.hhs.gov/MLNProducts/downloads/CritAccessHospfctshst.pdf> on the Centers for Medicare & Medicaid Services website.

MLN Matters® Number: MM6607 **Revised**

Related Change Request (CR) #: 6607

Related CR Release Date: August 28, 2009

Effective Date: October 1, 2009

Related CR Transmittal #: R1808CP

Implementation Date: October 5, 2009

Note: This article was revised on September 10, 2009, to correct the “Provider Action Needed” paragraph to show the rates are for FY2010 claims, instead of 2009. All other information remains the same.

Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for Fiscal Year (FY) 2010

Provider Types Affected

This article is for Inpatient rehabilitation facilities (IRFs) submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 6607 which provides updated rates used to correctly pay IRF PPS claims for FY 2010. Be sure billing staff are aware of these changes.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Background

The Fiscal Year (FY) 2010 Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) Final Rule, published on August 7, 2009, sets forth the prospective payment rates applicable for IRFs for FY 2010. A new IRF PRICER software package will be released prior to October 1, 2009 that will contain the updated rates that are effective for claims with discharge dates that fall within October 1, 2009 through September 30, 2010, inclusive.

PRICER Updates: For IRF PPS FY 2010 (October 1, 2009 – September 30, 2010)

- The standard Federal rate is: \$13,661
- The fixed loss amount is: \$10,652
- The labor-related share is: 75.779%
- The non-labor related share is: 24.221%
- Urban national average Cost-to-Charge Ratio (CCR) is: 0.494
- Rural national average CCR is: 0.622
- The Low Income Patient (LIP) Adjustment is: 0.4613
- The Teaching Adjustment is: 0.6876
- The Rural Adjustment is: 1.1840

Additional Information

The Medicare Claims Processing Manual, Chapter 3 (Inpatient Hospital Billing), Section 140 (Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS)) is available for review at

<http://www.cms.hhs.gov/manuals/downloads/clm104c03.pdf> on the CMS website

The official instruction, CR6607, issued to your FI and A/B MAC regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1808CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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